

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**RECEIVED**

APR 15 2004

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY  
ARIZONA CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

W-02597A  
Cedar Grove Water  
P. O. Box ~~8761270~~  
~~Taylor AZ 85939~~  
Shaw Low, AZ 85902

**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2003</b>
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FOR COMMISSION USE

<b>Ann04</b>	<b>03</b>
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## COMPANY INFORMATION

<b>Company Name (Business Name)</b> <u>Cedar Grove Water</u>			
<b>Mailing Address</b> <u>P.O. Box 1270</u>			
<u>Show Low</u> (City)	<u>AZ</u> (State)	<u>85902</u> (Zip)	
<u>928-537-8739</u> Telephone No. (Include Area Code)	<u>Same</u> Fax No. (Include Area Code)	<u>928-532-6941</u> Pager/Cell No. (Include Area Code)	
Email Address _____			
<b>Local Office Mailing Address</b> <u>P.O. Box 1270</u>			
<u>Show Low</u> (City)	<u>AZ</u> (State)	<u>85902</u> (Zip)	
<u>928-537-8739</u> Local Office Telephone No. (Include Area Code)	<u>Same</u> Fax No. (Include Area Code)	<u>928-532-6941</u> Pager/Cell No. (Include Area Code)	
Email Address _____			

## MANAGEMENT INFORMATION

<b>Management Contact:</b> <u>Mark Grapp</u>		<u>Owner</u>	
(Name)		(Title)	
<u>P.O. Box 1270</u> (Street)	<u>Show Low</u> (City)	<u>AZ</u> (State)	<u>85902</u> (Zip)
<u>928-537-8739</u> Telephone No. (Include Area Code)	<u>Same</u> Fax No. (Include Area Code)	<u>928-532-6941</u> Pager/Cell No. (Include Area Code)	
Email Address _____			
<b>On Site Manager:</b> <u>Same as above</u>			
(Name)			
_____ (Street)	_____ (City)	_____ (State)	_____ (Zip)
_____ Telephone No. (Include Area Code)	_____ Fax No. (Include Area Code)	_____ Pager/Cell No. (Include Area Code)	
Email Address _____			

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: N/A

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: N/A

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☒ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☒ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1,000.-	—	—
302	Franchises	500.-	—	—
303	Land and Land Rights	1,000.-	—	—
304	Structures and Improvements	8,500.-	1,415.-	7,085.-
307	Wells and Springs	19,955.-	3,324.-	16,631.-
311	Pumping Equipment	22,110.-	20,757.-	1,853.-
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	97,856.-	6,711.-	91,140.-
331	Transmission and Distribution Mains	404,268.-	29,297.-	374,971.-
333	Services	19,820.-	2,815.-	17,005.-
334	Meters and Meter Installations	8,954.-	1,755.-	7,199.-
335	Hydrants	~	~	~
336	Backflow Prevention Devices	~	~	~
339	Other Plant and Misc. Equipment	~	~	~
340	Office Furniture and Equipment	~	~	~
341	Transportation Equipment	~	~	~
343	Tools, Shop and Garage Equipment	891.-	814.20	77.-
344	Laboratory Equipment	~	~	~
345	Power Operated Equipment	~	~	~
346	Communication Equipment	~	~	~
347	Miscellaneous Equipment	~	~	~
348	Other Tangible Plant	~	~	~
	<b>TOTALS</b>	<b>585,354.-</b>	<b>66,893.-</b>	<b>515,961.-</b>

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1,000.-	—	—
302	Franchises	500.-	—	—
303	Land and Land Rights	1,000.-	—	—
304	Structures and Improvements	8,500.-	3.33%	283.05
307	Wells and Springs	19,955.-	333%	664.50
311	Pumping Equipment	22,610.-	20%	4522.-
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	97,856.-	2.22%	2,172.40
331	Transmission and Distribution Mains	404,268.-	2%	8,085.36
333	Services	19,820.-	3.33%	660.-
334	Meters and Meter Installations	8,954.-	3.33%	298.14
335	Hydrants	~	~	~
336	Backflow Prevention Devices	~	~	~
339	Other Plant and Misc. Equipment	~	~	~
340	Office Furniture and Equipment	~	~	~
341	Transportation Equipment	~	~	~
343	Tools, Shop and Garage Equipment	891.-	20%	178.20
344	Laboratory Equipment	~	~	~
345	Power Operated Equipment	~	~	~
346	Communication Equipment	~	~	~
347	Miscellaneous Equipment	~	~	~
348	Other Tangible Plant	~	~	~
	<b>TOTALS</b>	<b>585,354.-</b>	<b>—</b>	<b>16,863.67</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No. 403.

COMPANY NAME

**BALANCE SHEET**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 146.00	\$ 704.00
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	6,014.00	5,580.-
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 6,180. <sup>00</sup>	\$ 6,284. <sup>00</sup>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 497,898.-	\$ 585,354.-
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(50,031.-)	(66,893.-)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 447,867.-	\$ 518,461.-
	<b>TOTAL ASSETS</b>	\$ 454,047.-	\$ 524,745.-

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	11,955.-	16,913.-
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 11,955.-	\$ 16,913.-
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 119,940.-	\$ 112,057.-
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	235,297	241,879
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	4,019.-	62,124.-
272	Less: Amortization of Contributions		6,339.-
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 239,316.-	\$ 297,664.-
	<b>TOTAL LIABILITIES</b>	\$ 371,211.-	\$ 426,634.-
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 82,836.-	\$ 98,111.-
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 454,047.-	\$ 524,745.-

COMPANY NAME

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 78,817.-	\$ 80,771.-
460	Unmetered Water Revenue		
474	Other Water Revenues	420.-	995.-
	<b>TOTAL REVENUES</b>	\$ 78,922.-	\$ 81,766.-
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 31,271.-	\$ 38,600.-
610	Purchased Water		
615	Purchased Power	7,279.-	8,691.-
618	Chemicals		
620	Repairs and Maintenance	3,312.-	642.-
621	Office Supplies and Expense	3,596.-	3,635.-
630	Outside Services	2,808.-	2,480.-
635	Water Testing	880.-	1,742.-
641	Rents	1,228.-	1,023.-
650	Transportation Expenses	6,876.-	7,984.-
657	Insurance - General Liability	215.-	1,065.-
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense - Rate Case	0	0
675	Miscellaneous Expense	448.-	1,311.-
403	Depreciation Expense	14,915.-	16,864.-
408	Taxes Other Than Income	4,707.-	4,489.-
408.11	Property Taxes	1,028.-	3,860.-
409	Income Tax	1,150.-	0
	<b>TOTAL OPERATING EXPENSES</b>	\$ 79,713.-	\$ 92,386.-
	<b>OPERATING INCOME/(LOSS)</b>	\$ (791.-)	\$ (10,620.-)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 4.-	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses	(100.-)	
427	Interest Expense	(43.-)	(89.00)
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ (139.-)	\$ (89.00)
	<b>NET INCOME/(LOSS)</b>	\$ (930.-)	\$ (10,709.00)



COMPANY NAME

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	9-1-2001			
Source of Loan	WIFA			
ACC Decision No.	63673			
Reason for Loan	Const.			
Dollar Amount Issued	\$120,000	\$	\$	\$
Amount Outstanding	\$112,057.	\$	\$	\$
Date of Maturity	9-1-2021			
Interest Rate	5.075%			
Current Year Interest	\$2,329. <sup>8</sup>	\$	\$	\$
Current Year Principle	\$3,687. <sup>42</sup>	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 7,500.<sup>00</sup>

Meter Deposits Refunded During the Test Year

\$ 1,602.<sup>00</sup>

COMPANY NAME

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-087623	5	11.5	860	6	1	
55-550075	5	31.5	440	6+5	1 1/2	
55-566375	7.5	56	544	6	1 1/2	

- Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
NA		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	5	11	
5	1		
7.5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	1000	1
12,500	1	2000	1
50,000	1		
250,000	1		

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	2060
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	229
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

NA

STRUCTURES:

1-12' x 12' BLDG.

1- 6' x 6' BLDG.

1- 20' x 30' BLDG.

1- 24' x 24' BLDG.

OTHER:

NA

COMPANY NAME:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	207	822,300	
FEBRUARY	213	843,340	
MARCH	211	585,300	
APRIL	212	770,500	
MAY	216	1,221,670	
JUNE	225	1,777,460	
JULY	223	2,743,730	
AUGUST	228	981,110	
SEPTEMBER	227	1,091,160	
OCTOBER	225	1,238,500	
NOVEMBER	234	1,048,900	
DECEMBER	231	654,740	
TOTAL		N/A	

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes

☒ No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes

☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. See Below mg/l  
(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

POE # 1 - .0040 mg/l  
POE # 2 - .0030 mg/l  
POE # 4 - .0032 mg/l

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2003

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 3,859.<sup>72</sup>

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*\*Copies on Following Pages\**

0121248125 0212 40122 05112 50258

CEDAR GROVE WATER MANAGEMENT  
MARK GRAPP 3-95  
P.O. BOX 876 520-536-5431  
TAYLOR, AZ 85939

3821

4 10020

Date 10-31-03

91-170/1221 AZ  
8596

Pay to the  
Order of

*Apache Co Treasurer*

\$ 38597.22

*Three thousand Eight hundred fifty nine and 22/100 dollars*

Bank of America

ACH R/T 122101706

For

*01/02 + 1/2 of 1000000*

122101706 000091007915 3821 0000385972

© Charles American

GUARDLINE SAFETY BLUE WOL

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported  
Estimated or Actual Federal Tax Liability

\*N/A - Sole Proprietorship  
pays its tax based upon  
Owner's Schedule C Income.\*

State Taxable Income Reported  
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances  
Amount of Gross-Up Tax Collected  
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE

4-14-04

DATE

Mark Grapp

PRINTED NAME

Owner

TITLE

**RECEIVED**

APR 15 2004

WZ CORPORATION COMMISSIO  
DIRECTOR OF UTILITIES

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

RECEIVED

APR 15 2004

VERIFICATION

STATE OF \_\_\_\_\_

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Apache
NAME (OWNER OR OFFICIAL) TITLE	Mark Grapp
COMPANY NAME	Cedar Grove Water

ARIZONA CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 81,766.-

(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 4489.-  
IN SALES TAXES BILLED, OR COLLECTED

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

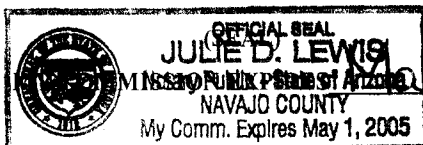
14th

DAY OF

SIGNATURE OF OWNER OR OFFICIAL  
928-537-8739  
TELEPHONE NUMBER

COUNTY NAME	Navajo	
MONTH	April	2004

SIGNATURE OF NOTARY PUBLIC



May 1st, 2005



VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 15 2004

VERIFICATION

**ARIZONA CORPORATION COMMISSION**  
**DIRECTOR OF UTILITIES**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) <u>Apache</u>	
NAME (OWNER OR OFFICIAL) <u>Mark Grapp</u>	TITLE <u>Owner</u>
COMPANY NAME <u>Cedar Grove Water</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>75,723.<sup>00</sup></u>

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 0  
IN SALES TAXES BILLED, OR COLLECTED

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

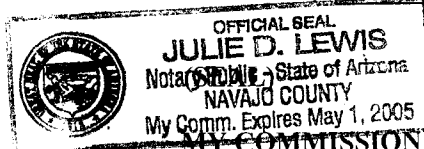
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14<sup>th</sup>

DAY OF

NOTARY PUBLIC NAME <u>Julie D Lewis</u>	
COUNTY NAME <u>Navajo</u>	
MONTH <u>April</u>	20 <u>04</u>



MY COMMISSION EXPIRES

x Julie D. Lewis  
\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC